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**KLA Board Report
Audit Committee
September 28, 2011**

The Audit Committee met on Monday September 19, 2011 in Frankfort at the KLA Office to perform its second audit review for 2011. Committee members present included Fred Tilsley (Auditor), Linda Kompanik (Auditor elect) Terry Buckner (President-Elect).

The Committee compared the KLA check register against the vouchers and bank statements for the months of February 2011 through August 2011. All transactions were well documented and had the appropriate signature. Check disbursements matched the requested amounts and were reflected accurately. All bank statements were reconciled in a timely and exact manner.

The Audit Committee concludes that the records are in order and reflect the financial condition of the Association.

Respectfully submitted,

Fred Tilsley, Auditor